

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

In re:) Chapter 11
)
USA GYMNASTICS¹,) Case No. 18-09108-RLM-11
)
Debtor.)
-----)

**LIMITED OBJECTION OF INDIANA ATTORNEY GENERAL
CURTIS T. HILL TO DEBTOR'S MOTION FOR ORDER ESTABLISHING
DEADLINES FOR FILING PROOFS OF CLAIM AND APPROVING
FORM AND MANNER OF NOTICE THEREOF**

Curtis T. Hill, Jr., Attorney General of Indiana, objects to the Debtor's Motion for Order Establishing Deadlines for Filing Proofs of Claim and Approving Form and Manner of Notice Thereof (the "Bar Date Motion") [Dkt. 230] on a limited basis and states in support of his objection:

INTRODUCTION

1. Curtis T. Hill, Jr., the Attorney General of the State of Indiana, (the "Attorney General") is charged with protecting the public interest in charitable and benevolent instrumentalities and to ensure the integrity of nonprofit entities operating within the State of Indiana. Ind. Code §§ 23-17-24-1 and 23-17-24-1.5. *Zoeller v. East Chicago Second Century*, 904 N.E.2d 213 (Ind. 2009).

2. USA Gymnastics ("USAG") is a nonprofit corporation with a principal office located in Indianapolis, Indiana.

3. USAG filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et. seq.* (the "Code") on December 5, 2018 (the "Petition

¹ The last four digits of the Debtor's federal tax identification number are 7871. The location of the Debtor's principal office is 130 E. Washington Street, Suite 700, Indianapolis, Indiana 46204.

Date"). USAG continues to operate its business as a debtor-in-possession pursuant to Sections 1107 and 1108 of the Code.

BACKGROUND

4. Over the past several years, USAG has become the subject of one of the most horrific and extensive scandals in sports history.

5. In the summer of 2016, The Indianapolis Star published a series of articles which focused on sexual abuse in women's gymnastics and the myriad cases of alleged abuse. Many of the abuses were perpetrated by Larry Nassar, a former doctor who treated many of the USAG athletes as well as other athletes in other locations and disciplines.

6. USAG commissioned a report by Indianapolis attorney Deborah Daniels which studied the underlying causes of the sexual abuse and made recommendations for preventing future instances. Likewise, the United States Olympic Committee also commissioned an inquiry by the law firm of Ropes and Gray which was made public in December of 2018 and which details the factors that allowed Nassar to abuse the young athletes who were part of the gymnastics community.

7. These three reports demonstrate that there are a number of athletes who may assert claims against USAG as part of this reorganization process.

THE BAR DATE MOTION

8. USAG has correctly stated that a bar date for the filing of claims against the Debtor is an important step in the bankruptcy process. The Attorney General also acknowledges that the claims filed by general creditors will be fundamentally different than those filed by abuse survivors. As a result, the claim form for survivors may and should look different than the claims filed by USAG's vendors.

9. The Attorney General's primary concern is that the length of the form and some of the questions may deter survivors from filing claims and having their opportunity to validate their claims. A consensual creditor such as a contract vendor will file a 4 page form which is personalized and attach unpaid invoices. A survivor is an involuntary creditor who will have to answer multiple pages of questions about an intensely painful subject. Asking about additional abuse and employment history are questions for the discovery process and should not be a condition to participating in the bankruptcy case itself.

10. The Attorney General has reviewed the objection filed by the Additional Tort Claimants Committee of Sexual Abuse Survivors (the "Committee") and believes that the objection is well taken. The Committee's proposed form is a reasonably sized form which provides necessary information to USAG without unduly burdening a claimant.

11. The Attorney General also wishes to be added to the list of parties who will have access to the claims when filed. The review of these claims constitutes a valid exercise of the state's police powers and is necessary in order for the Attorney General to fulfill his statutory duties. The Attorney General is willing to execute the desire confidentiality form as part of his review.

12. The Attorney General has communicated these concerns to counsel for USAG and counsel for the Committee. All parties are continuing to discuss these issues; however, the Attorney General is filing this limited objection due to the approaching deadline.

CONCLUSION

WHEREFORE, Attorney General Curtis T. Hill, Jr. respectfully objects to Bar Date Motion for the reasons stated, requests that the Court approve the form suggested by the Committee and asks that the Court grant the parties all other relief just and proper.

Dated: February 18, 2019

Respectfully submitted,

/s/ Martha R. Lehman

Martha R. Lehman

Mark R. Wenzel

SmithAmundsen, LLC

201 N. Illinois Street, Suite 1400

Capital Center, South Tower

Indianapolis, IN 46204

Telephone: 317-464-4142

Fax: 317-464-4143

mlehman@salawus.com

mwenzel@salawus.com

*Counsel for Curtis T. Hill, Jr.,
Attorney General of Indiana*

CERTIFICATE OF SERVICE

I hereby certify that on the 18th day of February, 2019, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system, which will then send a notification of such filing to all parties who have filed an appearance. Copies of this pleading may be accessed through the Court's electronic filing system.

/s/ Martha R. Lehman

Martha R. Lehman